VZCZCXRO6066 OO RUEHCN RUEHGH RUEHVC DE RUEHIN #1419/01 3370336 ZNY CCCCC ZZH O 030336Z DEC 09 ZDK FM AIT TAIPEI TO RUEHC/SECSTATE WASHDC IMMEDIATE 2848 INFO RUEHOO/CHINA POSTS COLLECTIVE PRIORITY RUEHBJ/AMEMBASSY BEIJING PRIORITY 9555 RHMFISS/DEPT OF HOMELAND SECURITY WASHINGTON DC PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RHMCSUU/FBI WASHINGTON DC PRIORITY RHMFISS/DEPT OF JUSTICE WASHINGTON DC PRIORITY RHHJJAA/JICPAC HONOLULU HI PRIORITY RHHMUNA/USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001419

SIPDIS

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SUBJECT: YILAN COUNTY KEY BATTLEGROUND IN YEAR-END TAIWAN

ELECTIONS

REF: TAIPEI 1412

Classified By: Political Chief Dave Rank. Reasons: 1.4 b/d

11. (C) Summary: The Yilan County magistrate race has emerged as the key battleground in the Dec. 5 elections for 17 city mayors and county magistrates. President Ma Ying-jeou has campaigned repeatedly for the Kuomintang (KMT) incumbent, who is facing a strong challenge from the opposition Democratic Progressive Party (DPP) that traditionally does well in the county. A KMT loss would be a political body blow to the President and would give the DPP a boost as it works to recover from painful losses in legislative and presidential elections last year. End Summary

LONG A DPP STRONGHOLD

12. (SBU) PolOffs traveled to Yilan County on November 27 to discuss upcoming elections with local political contacts. Located along the east coast of Taiwan and bound on three sides by mountains, Yilan is renown for its natural beauty and strong eco-consciousness. Eschewing heavy industry and leveraging its agricultural traditions and pristine environment, Yilan chose to focus on developing tourism and leisure industries. Although now easily accessible from the Taiwan capital, Taipei, thanks to one of the world's longest tunnels, Yilan's historic isolation long allowed the county to develop without an overbearing influence from the dominant KMT. Seen by the DPP as the birthplace of Taiwan democracy, Yilan was once governed by the first non-KMT county magistrate in Taiwan. Moreover, prior to the election in 2005, the DPP held the county magistracy for 24 consecutive years.

THE CANDIDATES

13. (C) The KMT candidate, Lu Kuo-hua, benefited from a pan-green split in 2005 to win the magistracy in the traditionally pro-DPP county. This year, the DPP coalesced behind one candidate, Lin Tsung-hsien, the director of Lotung Township. Due to lack of KMT bench strength, when Lu won in 2005, he chose to keep many bureaucrats appointed by DPP predecessors. Despite being the incumbent, Lu,s campaign has been an uphill battle against entrenched DPP sympathies, including within the bureaucracy. The result of what Lu,s campaign manager called a DPP effort to belittle his candidate,s achievements was that he was ranked 16 out of 23 Taiwan local county and city leaders in one survey. This was

in marked contrast to previous DPP Yilan magistrates who often ranked in the top three and to Lin,s high approval ratings in Lotung. Observers from across the political spectrum agreed that Lu lacked the speaking skills and political savvy of his DPP opponent.

KMT PAYING CLOSE ATTENTION TO YILAN ...

 $\P4$. (C) The KMT appears to run the greatest risk of losing an incumbent magistrate seat in three counties: Yilan, Hsinchu and Hualien. In Hsinchu and Hualien, the main competitors are independents who were expelled from the KMT for challenging the party's chosen candidate. A defeat in Yilan, on the other hand, would be a blue incumbent loss to a green contender. By traveling to Yilan eight times through December 2 to stump for Lu, President Ma (who also serves as KMT Chairman) demonstrated the importance he attached to holding on to the county magistracy. Lu,s campaign stated that Ma, against the advice of some in his party, was giving serious thought to spending election night in Yilan as a show of support. Lu, his advisors said, had tried to embody Ma,s ideal of an incorruptible, hardworking politician by renouncing mud-slinging and by swearing to run a clean campaign. Observers believed that the president personally liked Lu and noted that the Ma administration pushed ahead long-stalled investment plans for Yilan. A loss in Yilan would likely be seen as evidence of Ma's inability to campaign effectively for KMT candidates and would bring into question his belief that clean KMT candidates can win

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elections in the rough-and-tumble world of local politics.

... AS IS THE DPP

15. (C) Many DPP contacts, including Chairperson Tsai Ing-wen, said that gaining the magistrate seat in Yilan along with maintaining the party's hold in Yunlin, Pingtung and Chiayi counties would be seen as a win in this round of elections and a much-needed shot in the arm for the DPP. On December 2, Tsai along with other DPP heavyweights held a mass rally in Yilan to support Lin. The DPP believes that a strong island-wide showing would improve party chances in 2010 mayoral elections in Taiwan's largest cities and the 2012 presidential race.

STILL DRIVEN BY LOCAL ISSUES

16. (C) Ironically, many national heavyweights were campaigning in a local election that most observers believed would be won or lost on local issues. One election issue revolves around Lu,s decision to cancel Yilan,s annual Children's Festival. Started 12 years earlier, this event was popular with local residents and drew tourist dollars. Lu's campaign explained that he canceled the Festival because in recent years competition from other events reduced the number of attendees and mismanagement by the previous DPP magistrate resulted in financial losses. However, Yilan residents still were upset at the termination of a festival that evoked fond childhood memories. Lin, the challenger, had trials of his own, with the leak of a 2001 DPP campaign poster attacking his character and credibility for leaving the party that year to run as an independent for Lotung Township director. (Note: He rejoined the DPP after he was reelected in 2005. End note.) Both DPP and KMT contacts stated that national issues only drew limited interest from swing voters, who according to polls comprised nearly one-third of the electorate several weeks before the election. The DPP County Chairman believed there was some public concern over the proposed Economic Cooperation

Framework Agreement with China due to uncertainty over its content. Local sources said attempts by the DPP to fan voter outrage over the Ma administration's decision to allow expanded failed to gain traction.

VOTE BUYING FACTOR NOT CLEAR

17. (C) Of four pre-elections polls in Yilan, two put Lu ahead and two put Lin ahead. In such a hard-fought race, vote buying could be a deciding factor, leading both sides to be especially vigilant. The DPP organized "shock troops" to tail KMT candidates and film suspected vote-buying activities. Both DPP and KMT local officials acknowledged that vote buying was still a major problem in county councilor elections but added that it was much more difficult to influence larger magistrate elections with such activities. More than 100 cases of vote buying in other local races in Yilan had already been referred to the local prosecutor's office for investigation, but as of December 2 no cases had yet been brought against either campaign. STANTON